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Note: It is well known that shipbuilding in the Soviet Zone has been largely taken over at Soviet insistence by a state-owned agency, the Association of State-Owned Shipyards (Vereinigung Volkseigener Werften-VVW). This report gives a general picture of the structure, production, and inner workings of the VVW [redacted]

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1. Organization of the VVW

A. The Director General of the VVW is Ernst Thiel, who has his office in Schwerin. His deputy is Production Chief Erich Kluckow, who in turn has under him the following production experts:

Karl Ringsdorf
Albert Schmidt
Josef Weber
Heinrich Thiede
Frl. Regine Berg

B. Under Director General Thiel come several Directorates and Branches:

Personnel Directorate, under Emil Mildenberger, with these branches:

Personnel Branch of VVW Headquarters, under Adam, with five office employees.

Security and Fire Protection Branch, under Erich Glaner, with three office employees.

School and Training Branch, under Erich Bendig, with six office employees.

Administrative Branch, under Giese, with twelve office employees.

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Business Directorate, under Knörich, with these branches:

Materiel Supply Branch, under Homburg, with these sections:

Metallurgy, under Vormeyer
Light Industry, under Wohlers
Wood, under Paul
Chemicals and Fuels, under Graeber
Imports from the West, under Wehlow
Allocations, under Vanthe

Finance Branch, under Krefft, with these sections:

Credit and Cashier
Bookkeeping and Auditing, under Ritter

Investment Branch, under Mantey

Technical Directorate, headed until 15 May 1949 by Ing. Karioth, then until early December 1949 by Ewald Dähn, and vacant since then. The Technical Directorate has these Branches:

Production Supervision Branch, under Mantey
Chief Mechanics Branch, under Losensky
Construction of Shipyards Branch, under Hofweber
Planning Branch, under Paul Müller
Construction Supervision Branch, under Hobusch.

2. VVW Shipyards

A. The following shipyards are owned and run by the VVW:

Elbe Yards at Bolzenburg, formerly Gebr. Thomsen Yards
Director: Stolberg
Technical Chief: Mix
Chief Engineer, formerly Technical Chief: Greger
The Elbe Yards produce only luggers and employ about 1700 men.

Ship Repair Yard Wismar
Director: Wachtel
Technical Director: Wahl
This yard is being built up out of the remains of Waggon-Fabrik, Wismar. It includes the two branch works, Hansastrasse and Westhafen, and since autumn 1949, enlarging of the yard has been under way, under direction of Dipl. Ing. Kühnau. The yard employs about 3200 men and, besides doing repairs on seagoing vessels, it completes the final assembly of vessels built at inland yards.

Warnow Yards, Warnemünde, formerly Gebr. Kröger
Director: Tops
Technical Director: Fenning
SMAD Order 101 turned this yard into a repair yard for seagoing ships. It employs about 7500 men and has handled big ships like the "Asia" (formerly the Cordillera) and the "Hansa". The yard is still not completely operative, as the first construction shed was only finished in August 1949.

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People's Yard, Stralsund (formerly Gebr. Krüger)
Director: Penning (relative of the Penning at Warnemünde)
Technical Director: Lensch
The Stralsund yard is the VVW's largest enterprise, employing 15,000 men and using the most modern production methods. The yard is still under construction and about 5000 of the workers are engaged in construction work. (Construction workers are furnished by Bau-Union, a state-owned Mecklenburg building firm, which has worked also on the Warnow Yard at Warnemünde.) The Stralsund Yard builds only welded luggers.

Stralsund Ship Salvage Yard (Schiffsbergung Stralsund)
Director: Krüger
To Technical Director in December 1949.
A small yard with about 50 workers, this concern does overhauling of seagoing vessels destined for reparations. Since November 1949, about 300 workers of the "Ernst Thälmann" People's Yard, Brandenburg, have worked in the Salvage Yard fitting the finishing touches on vessels built inland at Brandenburg.

Bay Yard (Boddenwerft) at Dammgarten
Director: Fellmann
Technical Director: Ober-Ing. Richter
750 to 800 workers build 17 meter wooden fishing cutters at this yard, which uses the facilities of the former German Air Force seaplane base at Pütnitz, near Damgarten. [redacted] production difficulties, brought on by materiel shortages, caused the arrest of both Fellmann and Richter in July 1949.)

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Peene Yard at Wolgast
The Peene Yard, which was built since 1945, was planned for repair work. All work on it was halted in July 1949 by the SMA. After intervention by Director in Chief Thiel of the VVW and Crosse, head of the Machine Construction and Electric Branch of the DWK, work was resumed at Wolgast. The yard is poorly situated and is used only for the final fitting of luggers and seiners constructed at inland yards. It has about 700 workers.

Ship Lantern Works at Ueckermünde
Director: Harz, owner of the works before nationalization.
With a staff of 80 workers, this small factory makes ships lights and parts and some ship fittings. It uses only sheet metal and has a galvanizing plant.

"Ernst Thälmann" People's Yard, at Brandenburg/Havel
Director: Borngräber sen. (Borngräber jun. is the chief of the Planning Branch of the Yard.)
Formerly a foundry, this yard is mainly supposed to produce seining vessels. In addition, it was supposed during 1949 to produce three luggers. The installation is poorly laid out for shipbuilding purposes and most of the machine tools are old. Difficulties in getting the finished vessels out to the open sea are considerable. 750 workers are employed here.

State Yard Rotensee, near Magdeburg
Former Director: Drewnitzki (Uncle of the former Director General of the VVW. In February 1949 Drewnitzki was fired for embezzlement, but the SED got him another job as Director of a Fish Canning Association at Stralsund.)
Technical Director: Krüger
The State Yard does repairs on river boats and builds seine vessels. It employs only 550 men and has a very limited capacity. The installation formerly belonged to the Maschinenamt Magdeburg-Rotensee.

Rosslau Shipyard at Rosslau/Elbe
The Rosslau Shipyard builds luggers only and has considerable trouble getting them out to open water.

Klaus Engelbrecht Yacht Yard, Berlin-Köpenick
Director: Beier
This yard consists of three parts, designated A, B, and C, and builds composite cutters and police boats.

3. 1950 Production Program

The VVW production program for the year 1950 is given as follows (ships assigned but not built in 1949 are included):

Riveted luggers		
Elbe Yard	15	15
Rosslauer Yard	12	12
Welded Luggers		
People's Yard, Stralsund		73
Total		100 luggers
Seining Vessels		
Thälmann Yard		33
Left over from 1949		13
State Yard Rotensee		15
Left over from 1949		6
Keene Yard Wolgast		7
(The VVW also supervises two private yards which are assigned production schedules by the DWK)		
Bolle, of Derben/Elbe		2
Left from 1949		2
Schütze, of Aaken		3
Left from 1949		2
Total		83 seine vessels (including 60 for 1950 and 23 left from 1949 quota)
17 Meter Cutters		
Engelbrecht		32 (composite cutters of wood and steel)
Damgarten		93 (wooden cutters)
Total		125 cutters
Sea Cutters (police boats)		
Engelbrecht		11
Rotensee		5
SAG, of Fürstenberg/M.		4
Total		20 sea cutters

B. Repairs planned for 1950 include:

Ship Repair Yard, Wismar
Repairs totaling 20 million DM-East.
Warnow Yard, Warnemünde
Repairs totaling 20 million DM-East.
Ship Salvage Yard, Stralsund
Repairs and raising ships totaling 4,500,000 DM-East.

4. VVW Ship Types

A. Luggers

(1) The VVW lugger is a high-sea fishing vessel with a length of 38 meters, a draught unloaded of 2 meters, powered with a 300 HP Diesel engine, and with a freight capacity of about 150 to 200 tons. The VVW builds riveted luggers at Weizenburg, Rosslau, and at Brandenburg/Havel. Welded luggers are built at the People's Yard, Stralsund. The luggers do about 8 or 9 knots. Auxiliary apparatus including anchor winch, net winches, and deck engines are electrically powered by a 100-kilowatt generator.

(2) During 1949 all luggers built by VVW were sent to the USSR. The luggers' engines were of several types, including English Pedders, Italian Fiat, and Czech Skoda. Some of the generators were Italian Unam. About half of the Diesel fuel compressors used during 1949 were made by the Italian firm of Loro-Parisini, but no satisfactory arrangement had been made for a supply of parts.

(3) Some Diesel engines for VVW luggers have been produced since the middle of 1949 by the Wolf-Buckau Motorenwerke at Magdeburg. These 300-HP engines are so poorly built, however, that they have given continual trouble. Most of the trouble stems from the poor quality materials used in the engines; most of the materials come from Eastern Europe, including the USSR. Sabotage is also suspected. For example, Lugger 204, produced at Rosslau and transferred to the Wismar Ship Repair Yard, was out of commission for ten weeks with constant engine trouble. A close examination after many tests disclosed a piston fitting so poorly that insurance underwriters pronounced the ship unseaworthy.

(4) VVW luggers, as well as seine vessels, are checked over several times before acceptance by the USSR. Checking is done by acceptance engineers of the VVW, by the acceptance commission of the German Lloyd underwriters, and by a Russian commission. German Lloyd is a recognized firm, with its main office in the western part of Berlin, on Hohenzollerndamm. Its services are used because its Russian counterparts are not internationally recognized and because Russian certification, therefore, would not be recognized should the ships later be offered for sale to foreign buyers. The SKK and DWK are nevertheless trying to dispense with the German Lloyd and to use Soviet Zone examiners only.

(5) Radio equipment, produced in the Soviet Zone by the Association for Radio and Telephone Development ("Gesellschaft für Rundfunk-und-Fernmeldetechnik-GFT), is installed at Leningrad, where the vessels are taken by Russian crews.

(6) The quality of the luggers and engines produced thus far is bad. The first luggers turned over to the USSR are already breaking down.

(7) The welded luggers built at the Stralsund People's Yard are assembled on production lines in a new shed, which is about 210 by 100 meters. The keel is laid in the shed, most of the hull built up, and the engine installed, so that the vessel emerges into the yard 80 to 85 percent finished. When it is 95 percent finished, it is launched, and the masts, wheel house and deck engine added. Production time is about 6 months.

(8) The poor quality and limited supply of welding rods (Elektronen) seriously hampers construction of welded luggers. The only large producer of welding rods in the Soviet Zone is Kjellberg, of Finsterwalde, a state-owned concern, belonging to the Association for Electrical Machine Construction (Vereinigung für Elektromaschinenbau VEM). Their raw materials come from Western Europe and are of poor quality. Only two of their five types of rods show sufficient uniformity and strength for use in ship building. Another welding rod producer, the AGIL Works of Berlin, produces small quantities of good rods. The AGIL plant may soon be nationalized. The DWK hoped also to set up another factory to supply VVW yards with rods, but great difficulties with patents and raw material supply were encountered.

(9) The first welded lugger was to be launched at Stralsund on 8 November 1949, but the vessel slid down the way prematurely and buried its prow in the mud. It took a week to float it and get it back on the way. The launching was done five days late, on 13 November, but the Schwerin radio station reportedly broadcast the solemn launching ceremony on 8 November as scheduled.

(10) The unsatisfactory supply of materials has forced the VVW to consider returning to production of riveted hulls only. The outcome of their deliberations is not yet known.

B. The 17 Meter Cutter

(1) The 17 meter cutter is a simple fishing vessel, usable in Baltic Sea coastal areas. The supply of oak planking and timbers is very unreliable. The Bay Works at Damgarten often lie idle for days, waiting for shipments of wood. For the keel, heavy timbers are needed and few are available in the Soviet Zone. No oak is imported from the East, and much Soviet Zone oak, beech, and fir timber is exported [redacted] 25X1

(2) The cutters are equipped with man-operated anchor and net winches and have one 80-HP engine, usually Wolf-Buckau. Some of the cutters made at Damgarten were so leaky that no amount of caulking sufficed. They were finally made tight by pulling them up on the ways and pumping water into their holds until the planking swelled.

C. Composite Cutter

(1) This type of fishing vessel, which is 3 meters longer and has 40 cm more beam than the regular cutter, is made of wood and steel. The keel and bracing are of steel, and the planking and deck of wood. All composite cutters are sent to the USSR, except for three which were sold to Poland. Neither the regular nor composite cutters are equipped with radio.

D. Police or Sea Cutter

(1) In February 1949 the Engelbrecht Yacht Yard was commissioned to design a fast and seaworthy police and coastal patrol boat. The design was ready by May 1949 and was given to Captain Durakov of the SMA Navigation Office (Büro für Schiffahrt). It was compared with a Russian design, which proved to be slower and less seaworthy, though the Russian design called for larger engines and a larger crew. The Engelbrecht design, with some alterations, was accepted, and three such cutters were to be produced by the end of 1949. (Note: Since the 1950 production plan for police cutters indicates no carry-over from 1949, it is presumed that the 1949 plan was fulfilled.)

(2) The police cutters have a length of 28 meters and resemble German Navy sea rescue boats (400-er S-Boote). They are of wood and steel construction, powered with three Jumo 205 aircraft Diesel engines, giving a total power of 1800 HP. These Junkers motors were found in June 1949 in a storehouse at Grevesmühlen, Mecklenburg. The cutters require a crew of 7 to 9 men and make 26 to 28 knots. They are seaworthy up to Seegang 7 **(wind velocity of 12.5 15.2 M/See)**.

E. Seine Vessel

This type is supposedly new to Germany. It has a very small cargo space, but is powerful and with a few alterations could easily be used as a sea-going tug, mine layer, or mine sweeper. In construction and appearance it resembles the former German Navy tug "Bruno Dreier."

5. Passage of Ships to the Sea

A. Luggers and seine vessels built inland at Brandenburg, Rosslau, and Rotensee must be floated to the Baltic yards for completion, and the passage causes considerable trouble. For the trip, the water must be deep enough to carry vessels with a draught of 1.8 to 2.0 meters, and the superstructure of the vessels must be removed for low bridges. Since working conditions require that all superstructure but the masts be installed at the yard of origin, removal of the various installations, wheel house, and so on, and shipping these parts by barge or rail causes great waste of time and money. Low bridges prevent a height above water of over 3 to 3.2 meters. In ordinary times, except for high water in spring and fall, the water depth at Rosslau is only 80 cm. and at Brandenburg 1.8 meters, and boats must thus be floated high if they are to reach the open sea. This is accomplished by sinking two large barges on each side of the new boat, slinging cables under the new boat's hull, and pumping out the barges so that they raise the vessel.

B. From the inland yards, the only route open to the Baltic leads through the Havel canal system, into the Oder at Hohensaaten, and downstream past Stettin to the sea. Seven days is the record for the trip along this route from Rotensee to Wolgast, but this time, which was made by a small seine vessel, is unusual. Normally 14 days to three weeks are needed. The boats must pass through Polish waters and the Polish authorities frequently delay the boats and tugs for several days, even though all papers are in order. In one case they removed and sent back by train the 25-odd carpenters and fitters who were working on the vessel while it was being towed.

6. Procurement of Materials and Parts

A. Materials and parts for ships built in VVW yards are procured through the Material Supply Branch, headed by Homburg [redacted] 25X1 Direct obtaining of materials by the VVW is not permitted by regulations, but it is done. Everything must be ordered through the Material Supply Branch of the Central Administration for Machine Construction and Electrical Supplies of the DWK. For example, by 20 December 1949, the VVW had to submit to the DWK its requisitions for material for the coming year. By 1 January 1950, the DWK was to add up all requirements for Soviet Zone industry, estimate supply and raw material potentialities, and pass out production orders to material and part suppliers. By the middle of January or February 1950, the initial material requisitions for the first quarter of 1950 would be permitted, and the hard business of actually laying hands on the goods would begin. This was the principal task of Homburg's Branch, and difficulties were such that rarely did they obtain 60 percent of what the requisitions prescribed. Very often materials of different quality, specifications, and sizes had to be accepted.

B. The quality of materials supplied varied so greatly from specifications that it was idle to talk of mass production of ships. Although plans call for mass production, each ship is made from such miscellaneous materials that it is really a prototype.

C. Sheet steel in the Soviet Zone, produced mainly from old mills that were built to handle softer metals, comes out in sheets of widely varying gauge, adding to the confusion. Specifications for types of woods are also departed from regularly.

D. Outside of its normal procurement channels the VVW depends on some compensation deals [redacted] with 25X1 foreign countries. Obtaining of Pedders, Skoda, and Fiat engines has already been mentioned. Ships' clocks, machine tools (including Wellendrehbänke, Abkantpressen, Revolverdrehbänke), large drills, and presses are obtained [redacted] 25X1

[redacted] Anchor chains and rudder 25X1
chains [redacted] An
attempt to make them in the Soviet Zone in a former shoe factory at Weissenfels resulted in unusable quality.

E. Between July and September 1949, a salesman named Helssen, from a Lübeck firm (Norddeutscher Industriebedarf), negotiated with the VVW for the supply of used tools, machines, electric motors, Diesel engines, generators, transformers, and so on. The VVW and some of the yards made special contracts with Helssen's firm for some materials.

F. The VVW also draws a lot of supplies, including welding rods, navigation instruments (ships' clocks, sextants, and signal supplies (rockets, searchlights) [redacted] 25X1
25X1 [redacted] From 20 to 30 tons of welding rods were obtained from some unidentified firm in the vicinity of Dortmund. In October 1949 300 tons of galvanized and unplated steel cable arrived [redacted] and was 25X1
distributed to the various yards of the VVW. Other scarce 25X1
materials procured [redacted] include angle irons and pipe. All in all, about one-third of the materials used by the VVW are not available in the Soviet Zone and have to be imported from abroad, including USSR, Eastern Europe, and 25X1
[redacted]

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7. Production Schedule and Labor Shortage

A. During 1949, production proceeded slowly until August. The tempo was stepped up during the last half of 1949, so that production goals were nearly reached. Yards at Wismar, Warnemünde, and Stralsund were made "vital points" (Schwerpunkte) by the DVF. By mid-November the inland yards had produced all the hulls their schedule called for and these vessels were towed out for finishing at the Baltic yards. Many of the workers of the inland yards were moved to the seacoast yards to help with the finishing touches on the superstructures.

B. All the yards of the VVW suffer from the general lack of skilled labor. The Bay Yard at Damgarten has, for example, only 30 real ships' carpenters among its 750 to 800 workmen. All vessels built by the VVW show defects caused by poor workmanship. Welders are especially inept and every welded vessel, when checked by German Lloyd, turns out to have defective seams. Workers' housing is another problem, and the Warnow works at Warnemünde recently caused many unemployable old people and pensioners to be moved out of Warnemünde to open up housing.

C. A campaign is under way at present, using radio propaganda and Western Zone KP facilities, to recruit Western Zone workers for the VVW and other state-owned enterprises. Special wages and rations are promised the new workers, but the government of Land Mecklenburg has expressed its doubts about fulfilling the promises. Preferential treatment of the new men would ruin the morale of the regular staffs.

8. Politics in VVW Main Office

A. For the 220 employees of the VVW main office, there is an SED Plant Group of 57 members, a FDJ group of 30 to 3[illegible] members, and a German-Soviet Friendship group of about 100 members. The office pays the dues of the members of the German-Soviet Friendship group, and members only have to work up a little enthusiasm to fulfill their club obligations.

B. There are a number of CDU and LDP members in the office, but it is generally known that Personnel Director Mildenberger intends to get rid of most of them. Mildenberger got his job in the shake-up which followed the removal of the former Director in Chief, Drewnitzki, in February 1949. The old Personnel Director was Voss, an SPD man who had been active in labor union work since 1910. Voss was transferred to a minor job with the Warnow Works at Warnemünde. Mildenberger took over and added about 90 people to the staff. The additions were in the cases of the men, all SED members, except for a few of no party affiliation. Mildenberger not only controls personnel policy; he also leads SED political activity in the VVW, holding regular meetings of SED functionaries from all the yards and the main office.

9. [redacted] 25X1

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